Joint Services CAS Executives Meeting

The DoD
Past Performance Information
Integrated Product Team

**July 25th Status Report to
USD(A&T) and the CAEs**

DoD Past Performance Information IPT

Results of the April 28th Briefing. . . .

USD(A&T) and the CAEs approved:

- Using a CPARS-style "report card" for the Systems business sectors
- Making the workload for the Operations Support and Services sectors manageable by using report cards above a certain dollar threshold, using source data automation and "passive collection" below the threshold
- Exempting 6.1, 6.2, and 6.3 funded Science & Technology contracts from report cards, and, instead, tailoring PPI collection at time of source selection
- Making maximum use of PPI collection systems that are already operating (e.g., Construction/Architect-Engineering)

USD(A&T) and the CAEs directed the IPT to:

- Recommend the "right" number of rating levels (four or five)
- Recommend the right "report card" elements and thresholds
- Develop an implementation plan, including an Automation Plan
- Identify the "right" organization to oversee implementation
- Identify the measures of effectiveness

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Our "deliverables". . . .

- **A draft USD(A&T) policy memo on PPI collection and use**
- **Revised "DoD Use and Collection of PPI" Guide**
- **Performance element definitions and rating levels for the Systems, Operations Support, and Services sector groups** *(to be included in the Guide and Policy Memo)*
- **Implementation plan that also addresses automation**
- **Recommended metrics** *(measures of effectiveness)*
- **A final report** *(the alternatives we looked at, why we made the decisions we made)*

What we have accomplished. . . .

Agreed on the thresholds:

Systems: $5,000,000

- *Captures the contracts with significant engineering development*
- *Requires FAR deviation. . . .*

Ops Support:

$5,000,000 for "report cards"

- *Captures the Ops Support contracts--Direct Vendor Delivery, Prime Vendor Program, etc.--where we want more PPI details. . . .*

Passive data collection (e.g., Red/Yellow/Green, Automated Best Value Method) **and source data automation for rest, _when automation permits!_**

Services: $1,000,000

- *Captures 80% of the dollars in this Sector, and . . .*
- *Doesn't create impossible workload*

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What we have accomplished. . . .

Agreed on number of rating levels: **Five**

- *Strong arguments for both four and five rating levels, but . . . .*
- *Users strongly wanted a "B grade"**

(Levels are: Excellent, Very Good, Satisfactory, Marginal, Unsatisfactory)

Developed an implementation plan, that addresses automation
(more on this later)

And, *we have refined our concepts!* →

Aircraft
Fixed Wing
Rotary Wing

The "Systems" business sectors the OIPT defined

Decision rule: significant engineering development effort is required

= Completed

Systems
(Including New Development
Major Modifications)

Aircraft
Fixed Wing

All across this group of Sectors. . . .

Space
Launch Vehicles
Strategic Missiles
Satellites

Shipbuilding
Surface
Subsurface

A modified
CPARS. . . .

Ordnance
Tactical Missiles, Guns,
Launchers, Torpedos,
Ordnance

Ground Vehicles
Combat
Tactical

Training
Systems

--DoD
"SPARS"

These Sectors liked CPARS'
consistency and potential for
flexibility. We have made some
small modifications to what we
previously briefed to enhance
clarity and flexibility. . . .

Systems' Performance Elements

I. **Technical (Quality of Product)**
   A. Systems Engineering
   B. Software Engineering
   C. Logistics Support / Sustainment
   D. Product Assurance
   E. Other Technical Performance

II. **Schedule**

III. **Cost Control**

IV. **Management**
   A. Management Responsiveness
   B. Subcontract Management
   C. Program Management / Other Management

For Technical and Management, the "top level" rating will be based on judgment as to what rating best depicts the contractor's overall performance

Operations
Support

Electrical   Structural

These Sectors decided to collaborate. . . .

Ammunition   Troop Support

Base Supplies   Electronics

Information
Technology

Services

. . . now, they share . . .
Common Performance Elements. . . .

Common Performance Elements
for Operations Support, Services, and Information Technology

I. Quality of Product or Service *(Mandatory)*

II. Schedule *(Mandatory)*

III. Cost Control *(Mandatory for other than FFP or FP with EPA contracts)*

IV. Business Relations *(Mandatory)*
- *Management Responsiveness*
- *Subcontract Management*

   --Always useful for Services and Information Technology; useful for Direct Vendor Delivery and Prime Vendor Program contracts in Ops Support

   --Required by law!

V. Key Personnel *(Services and Information Technology)*

Sectors with systems "up and running" and meeting their users' needs. . . .

Construction and Architect-Engineering:
- *Already governed by FAR and DFARS Parts 36 and 236*
- *In operation since <u>1979</u>!*
- *Other government agencies "signed on" : <u>22</u>!*

Health Care:
- *Joint Army-Navy system for medical services*
- *DoD Health Services considering making the system the "standard"*

Fuels:
- *Managed by Defense Fuel Supply Center*
- *MS Access data base on LAN server*

Our recommendation:
- *Industry already knows these systems . . .*
- *Users' needs are being met . . .*

--<u>These systems should keep running</u>!

Implementation Approach

Components are responsible for implementation . . .

The IPT will provide joint guidance, procedures, insight . . .
- *This time, not recommending we go out of business . . .*
- *But, we need to revise charter & membership of IPT*
  - *Less focus on guidelines, more on managing implementation*
  - *Need to bring in additional communities (e.g., logistics, training)*

Automation is key to full implementation
- *Consistent with Standard Procurement System*
- *Component flexibility*
- *Shared Data Warehouse*
- *Interfaces, standards*

But, there will be substantial implementation before full-up automation . . .

Near term pilot project to test automation approach

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Action Plan

- **Aug 97 - Issue coordinated Policy Memo, start development of training materials**
  - **Identify "managers" for overall PPI implementation and automation**
  - **Issue IPT's "final" report on decisions, etc., <u>up to this point in time</u>**

- **Sep 97 - IPT briefs Industry after Policy Memo is issued**
  - **Publish revised PPI Guide in Defense Acquisition Deskbook**

- **Oct 97 - Finish interfaces for pulling data from the existing PPI automated systems into the Shared PPI Data Warehouse**   *(Blue = Automation Items)*

- **Nov 97- Deploy pilot Shared PPI Data Warehouse to 10 sites**

- **Jan 98 - PPI "Broadcast" to DoD Acquisition Workforce**
  - **Stand up Web site with PPI training materials for Components' use**
  - **Components start implementing PPI collection**

- **Apr 98 - Components complete training workforce, complete implementation of PPI collection at the buying activities that account for 80% of DoD's acquisition spending**

Action Plan

- **May 98 -** Review pilot Shared PPI Data Warehouse operational performance, start needed enhancements

- **Sep 98 -** IPT reviews efficiency and effectiveness of PPI collection, adjusts management approach recommendations as necessary
    - *Proposed measure of effectiveness: Enterprise Metric on Delivery*
    - *This will be a "first cut" review--trends might not be clearly established by this time, but we need to do it because of the next action*

- **Oct 98 -** Start deployment of Shared PPI Data Warehouse to rest of DoD sites
    - *Dependent upon results of the IPT review above*

- **Sep 99 -** IPT reviews efficiency and effectiveness of PPI collection

- **TBD   -** Complete migration of Shared PPI Data Warehouse functionalities into Standard Procurement System / Shared Procurement Data Warehouse
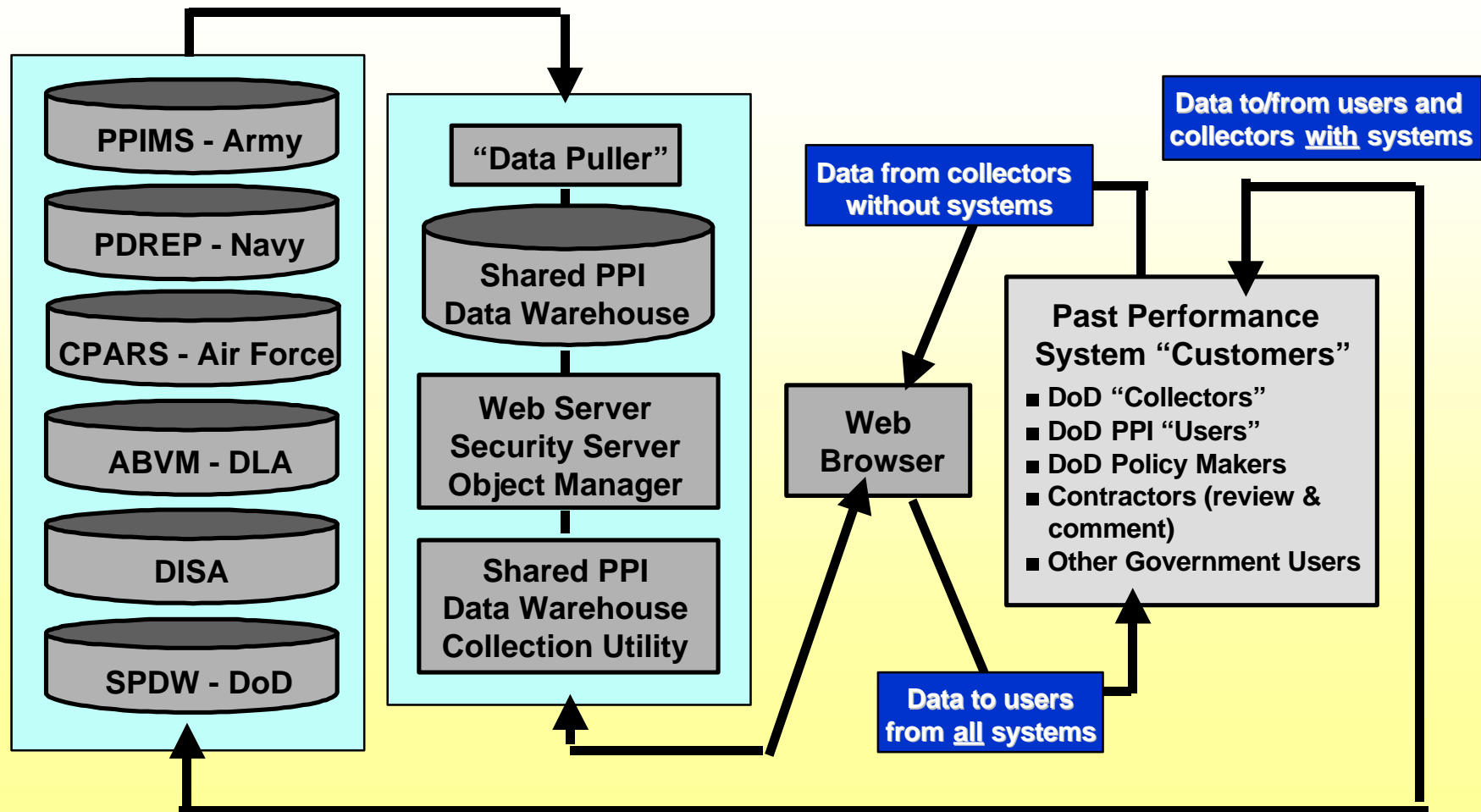
More on Automation ⟶

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"Interim" Automation Concept Overview
(Long term, migrate to SPS)

Data storage systems:
- PPIMS - Army
- PDREP - Navy
- CPARS - Air Force
- ABVM - DLA
- DISA
- SPDW - DoD

"Data Puller"
- Shared PPI Data Warehouse
- Web Server / Security Server / Object Manager
- Shared PPI Data Warehouse Collection Utility

Data from collectors without systems

Data to/from users and collectors _with_ systems

Web Browser

Past Performance System "Customers"
- DoD "Collectors"
- DoD PPI "Users"
- DoD Policy Makers
- Contractors (review & comment)
- Other Government Users

Data to users from _all_ systems

The Pilot Project

- **We propose a cross-section of the Components at 10 sites:**

  2 Army   *2 Navy*

  2 Air Force   *1 Marine Corps*

  1 DISA   *2 DLA*

- **And, a good cross-section of the business sectors**

- **If pilot is successful, expand from the 10 pilot sites to rest of DoD, to cover in advance of SPS**

Open automation issues . . .

"Downstream" funding of Automation Operations and Maintenance
- *We want to use a "distributed warehouse" concept*
- *Means we can use any machine with available capacity*
- *But, there are costs involved . . .*
- *LCIIO can fund through end of FY 98. . . .*

Access control . . .
- *Can provide security against contractors "peeking" at other contractors' files*
- *Need to limit access to source selection purposes only*

Will test solutions during automation pilot project

Not an issue today: "Flowing" PPI requirements into SPS requirements. . . .
- *Already talking to SPS Requirements Council and program office*
- *Could be issue later, though, because of SPS funding and schedule, other funding priorities, etc.*

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Status of Deliverables

- **USD(A&T) Policy Memo** *--drafted*
- **Revised "DoD Use and Collection of PPI" Guide** *--drafted*
- **Performance element definitions and rating levels for the Systems, Operations Support, and Services sector groups --** *briefed today* **(and will be included in the Guide and Policy Memo)**
- **Implementation plan, automation** *--briefed today*
- **Recommended measure of effectiveness** *--briefed today*
- **A final report** *--briefed today*

Recommendations

We recommend USD(A&T) and the CAEs approve:

- ◆ **Five rating levels**
- ◆ **The "report card" thresholds . . .**
    - ❑ *$5 million for Systems*
    - ❑ *$5 million for Ops Support*
    - ❑ *$1 million for Services*
- ◆ **The Performance Elements**
- ◆ **The Implementation Approach**
- ◆ **The Action Plan** *(including Automation and Pilot Project)*
- ◆ **The Enterprise Metric on Delivery measure of effectiveness**

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Our thanks to . . .

The Working Level IPT Chairpersons

The Life Cycle Information Integration Organization

The SPS Requirements Council, and the SPS Program Office